



EX PARTE OR LATE FILED

ORIGINAL

Kathleen Q. Abernathy  
Vice President  
Federal Regulatory

AirTouch Communications  
1818 N Street N.W.  
Suite 800  
Washington, DC 20036

Telephone: 202 293-4960  
Facsimile: 202 293-4970

November 14, 1994

RECEIVED

NOV 14 1994

**EX PARTE**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

DOCKET FILE COPY ORIGINAL

RE: CC Docket No. 94-54; Equal Access and Interconnection Obligation Pertaining  
to Commercial Mobile Radio Service

Dear Mr. Caton:

On Monday, November 14, 1994, David Gross and I, on behalf of AirTouch Communications, met with Judy Argentieri and Nancy Boocker of the Common Carrier Bureau. We discussed the information in the attached material. Please associate this material with the above-referenced proceeding.

Two copies of this notice were submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me at 202-293-4960 should you have any questions or require additional information concerning this matter.

Sincerely,

Kathleen Q. Abernathy

Attachment

cc: Judy Argentieri  
Nancy Boocker

No. of Copies rec'd  
List A B C D E

0+1



**EQUAL ACCESS RULEMAKING PROCEEDING  
DOCKET NO. 94-54**

**RECEIVED**

**NOV 14 1994**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY**

## **Market Forces Best Promote the Commission's Objectives**

"Equal Access" should be defined as the fundamental right of callers to use their long distance carrier of choice and should not go beyond unblocked 10XXX dialing.

AirTouch reached this conclusion after conducting surveys, focus groups and market research following spin from Pacific Telesis.

Customers want the lowest overall monthly charges possible, wide area coverage, a single bill and quality connections.

The ability to select any long distance carrier generally had little value for most customers; for example in one survey of current customers 25% believed that AirTouch provided their long distance cellular service even though they were informed that, at that time, AirTouch was prohibited from providing such service.

In some instances, customers did want to choose a particular long distance carrier but there was no strong outcry for "1+" access; this is evidenced by fact that BOC required provision of "1+" access has not translated into a competitive advantage.

## **The Cellular Marketplace is Not Comparable to Long Distance Marketplace**

Cellular carriers have no ability to impact the supply or price of long distance services generally.

No evidence that "1+" equal access obligations for cellular carriers are necessary to promote competition or create low prices and innovative services in long distance market.

Cellular wireless providers have no incentive or ability to leverage their market strength in a way that increases cost of long distance service; in fact, cellular carriers have incentive to promote usage of such ancillary services as information services, voice mail and long distance to maximize usage of cellular airtime.

Service offerings of non-BOC cellular licensees provide evidence of this downward pressure on long distance prices through discounts negotiated on long distance service rates.

Traditional "1+" equal access would impose burdens on all cellular carriers that would result in higher rates and fewer choices for customers.

## **Implementation of Equal Access Obligations Would Create Significant Implementation Problems**

The Commission would be forced to select an appropriate local serving area, thus substituting its judgment for the more direct, efficient and flexible influence of market factors.

The adoption of any market boundaries will trigger an immediate flood of waiver requests to the Commission to resolve particular market needs.

Difficult to apply equal access to mobile services because calls in progress may cross serving area boundaries, transforming local calls into long distance calls.

Carriers would incur significant costs to comply with equal access, including: software changes in the switch; arrangements for access interconnection; billing arrangements; customer order entry software modifications; customer service training; balloting of customers.

Customer balloting is by far the most time-consuming and costly requirement and is of limited value to customers; balloting simply protects inefficient long distance competitors and undermines innovative discount plans that interexchange companies may offer cellular licensees.